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ABSTRACT

The case study considers the technical aspects, not the principles, involved in charging the public for the use of lending library service. After examination of the present service it is felt that the following four systems of charge are possible: (1) subscription, or membership surcharge; (2) a unit issue charge; (3) a book reservation charge and (4) a pay collection based on a graded book system. (MM)

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Charges for the use of Lending Library Services:

a case study

LI 003 303

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County of Leicester
County Library
Headquarters
Clarence Street
at Lee Circle
Leicester LE1 3RW
Telephone 22012
Telex 34307

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CHARGES FOR THE USE OF LENDING LIBRARY SERVICES

Foreword

This case study attempts to show how a difficult issue involving both principles and practice in public library service was handled in one library system. Introductory and linking notes have been added to the Committee papers which are in the form in which they were considered by Committee. There is therefore some repetition but they may be of interest to students and other librarians considering the problem.

The suggestion for charges

The Finance Committee held a special meeting to consider the capital and revenue estimates for 1968/69 in the light of a special call from the Government for severe economies in local government expenditure. The Library Committee on 13th March, 1968 was told of the following decision of the Finance Committee -

> "The Library Committee be asked to consider and report on the income which can be expected from the borrowing of library books if legislation permitted the Council to make a charge."

The Committee discussed the principle and resolved to set up a staff working party to prepare a report on the practical implications.

The Working Party

Senior Staff Conference had considered the matter at a meeting on 7th March and agreed nominations for the working party on the understanding that it would only deal with the technical aspects, not the principles. After some preparatory work to take account of views expressed at the Library Committee the following circular was issued by the County Librarian for all staff on 3rd April -

WORKING PARTY: CHARGES FOR LENDING LIBRARY SERVICES

Following consideration of the Library Committee Estimates the Finance Committee has asked the Library Committee to consider and report on the income which could be expected from the borrowing of library books if legislation permitted the Council to make a charge. The Library Committee has agreed that a Staff Working Party be set up to prepare a workable scheme for such charges including the operation of exceptions (e.g. children, students and old people) and to provide estimates of income and the running costs of such a scheme. If the Council accepts the desirability of charges and the feasibility of the scheme a recommendation will probably be submitted to the County Council's Association and if it secures their support it may become part of C.C.A. policy in urging new legislation.

The members appointed to the Working Party are -

Mr. J. A. Saunders - Convener
Mrs. G. K. Long
Mrs. S. G. Ray
Miss G. North
Mr. R. A. Eaton
Mrs. D. Cooke
Mr. M. G. Thomas
Mr. P. Richardson

Observers are being invited from Leicester City Library and Loughborough Library School.

The suggested method of work is as follows -

1 Meeting of full Working Party.
2 Arrangement of Project Groups.
3 Meeting of full Working Party.
4 Call for expert advice and assistance.
5 Meeting of full Working Party to complete final draft of full report.

Definition of the purpose of the Working Party

1 Consider services to charge for.
2 Consider areas of public to be charged.
3 Consider method of applying charges.
4 Assess financial income and cost of application.
5 Consider assessment of impact of charges.
6 Consider promotion of selling charges.

The Working Party prepared a series of reports and the convener held discussions with the County Treasurer and County Librarian.

Reports to the Library Committee

The following reports by the County Librarian and the Working Party were submitted to the Library Committee in March, 1969 -

LIBRARY COMMITTEE, 12th March, 1969

CHARGES FOR THE USE OF LENDING LIBRARY SERVICES

Introduction

1. At its meeting in January 1968 the Finance Committee requested the Library Committee to consider a report on the income which could be expected from the borrowing of library books if legislation permitted the Council to make a charge. It was indicated in the discussion that the object of securing such income would be to improve the level of the library service to a standard beyond that which could be met from the rates and not to reduce the rate borne expenditure. The Library Committee considered this request at its meeting on 13th March, 1968 and agreed to set up a staff working party to consider the implications of the Finance Committee's suggestion and to report on a workable scheme for such charges with estimates of income and running cost, including the operation of exemption for some sections of the public. The report of the working party is attached and has been fully discussed with the County Treasurer.

2. The Committee will note that no attempt is made to argue a case for or against the principle of charges for general use of the Lending Library service. I have studied the report and offer the following comments.

Principles

3. To command acceptance any method of making charges must be fair, capable of audit checking and as inexpensive to operate as possible, consistent with being convenient and acceptable to the public. The working party have reviewed a number of systems but in a County Library with many service points widely distributed the problems of cost of operation and staffing in relation to the estimated return are considerable.

Reservation Charges

4. One source of income, reservation charges, is authorised by the Public Libraries and Museums Act, 1964, but they have never been imposed in this Library and are not recommended by the working party. While I support their opinion I have made a further review of the value of such charges. Leicestershire has so many Libraries offering only a very limited selection of books (of the 39 static libraries only 9 have more than 6000 books on the shelves and the Mobile Libraries carry only 2000 - 2500) that the reservation and request service is essential to provide readers with access to the resources of the County Library. It is inequitable that those ratepayers who only have access to a small library or a mobile library should have to pay to obtain the selection of books that would be on the shelves of a larger library. It is also unsatisfactory for the student or child who requires a particular book for study to have to pay for it to be obtained. 76,000 requests for books were made in 1967-68 and the gross income from charges, at 6d. per reservation, would amount amount to only £1,900 per annum, against which must be offset the costs of collecting the money. Reservation charges also have the danger of readers assuming that any book can be supplied in response to a request - at present a substantial number that are not readily available are returned to the reader as 'regret cannot supply'. If he had paid 6d. he might well feel that a more exhaustive search should be made and if money was payable only on collection of the book income would be reduced. Because of the subject coverage of the stock on the shelves of one of our libraries at any particular time no charge could be made to readers who requested 'books about' a particular topic and I doubt if it would be possible to operate such a distinction in practice.

Charges Schemes

5. The working party's full report examines several systems, including those which require a payment by the library user each time a book is borrowed (the unit issue charge - paragraph 9), pay collection or graded books systems (paragraph 11) and evaluates in detail their advantages and disadvantages as well as considering the additional work involved. The working party has been at pains to exclude from any charges system young people under 16 or still attending school full time, students on full time courses or part time and block release courses leading to qualification, pensionable persons aged 60+, housebound and disabled persons of any age.

6. The working party recommends a scheme involving an annual subscription, the example used in the calculations being 24/- per annum, for the use of all Lending Library services and which shows an estimated net income of £79,380 per annum. This assumes that all the present users of the service would continue to do so if they were eligible to pay the subscription. The administrative costs of the scheme are estimated at £6,540 per annum, but it is based on the assumption that a single subscription renewal period can be effective and that new members and late renewals during the year could be dealt with by part-year subscription.

Conclusion

7. Before any scheme of charges for the use of Lending Library services could be introduced legislation would be required and up to now government

policy has been consistently opposed to the principle of such charges. The Finance Committee will wish to take the views of the Library Committee into account in considering the information given in the working party's report. If the Council wished to urge the introduction of legislation to permit such charges the appropriate course of action would be to seek the support of the County Councils Association.

4th March, 1969

G. E. Smith,
County Librarian

LEICESTERSHIRE COUNTY LIBRARY

REPORT OF THE WORKING PARTY ON CHARGES FOR THE USE OF LENDING LIBRARY SERVICES

Introduction

1. Following consideration of the Revenue Estimates 1968-9 recommended by the Library Committee, the Finance Committee asked the Library Committee to consider and report on the income which could be expected from the borrowing of library books if legislation permitted the Council to make a charge. The Library Committee resolved to set up a Staff Working Party to consider the implications of the Finance Committee's recommendation and report on a workable scheme for such charges with estimates of income and running cost including the operation of exceptions for some sections of the public.

2. Members of staff appointed to the working party were:-

Mr. J. A. Saunders (Convener)
Mrs. G. K. Long
Mrs. S. G. Ray
Miss G. North
Mr. P. Richardson
Mr. R. A. Eaton
Mrs. D. M. Cooke
Mr. M. G. Thomas

Observers were invited from Leicester City Libraries and Loughborough Technical College School of Librarianship.

Assistance and advice was given by the County Treasurer's Department.

3. A literature search showed there is little information or research relating to charges for public library services in this country and that systems used in European countries were very wide ranging and poorly documented. The pay collection i.e. direct charge system used in some American and New Zealand libraries and the subscription systems used in commercial libraries were used as a bsis of examination and comparison.

4. After examination of the present service it was felt that there were four possible systems of charge.

(a) Subscription, or membership surcharge
(b) A unit issue charge
(c) A book reservation charge (authorised by the Public Library and Museum Act 1964)
(d) A pay collection based on a graded books system

5. The three main factors considered were:-

The public, which could be classified
The bookstock, which could also be classified
The methods of the service used at present

Because the systems of charges can affect any or all of these factors it is possible to produce very complex and controllable schemes without being able to determine the effect. Because the public are the most important factor and always affected by any system of charges it is helpful to classify them first to exclude the young and the old, thus reducing the complexity.

6. The following identifiable categories of people might be excluded from any charges system put into operation.

(a) Young people
Under 16 or still attending school full-time

(b) Students
(i) persons attending full-time courses of education or training leading to qualifications
(ii) persons attending part-time and block release courses leading to qualification
(production of a course receipt or Students Union Membership Card is considered sufficient evidence)

(c) Old people - persons over 60

(d) Housebound and disabled persons of any age

If exceptions are to be fully operated, grading bookstock to a greater or lesser extent becomes necessary if the persons defined as students are not to benefit unduly from the operation of a charges system. Students under full-time education should have full use of the library free of charge; part-time students on salary or wage should not be allowed to borrow fiction and some classes of non-fiction without charge if the general public are to be charged for this particular provision.

7. The two other factors - the bookstock and the present methods used - will affect and be affected by the different charges systems put forward. For this reason they are dealt with within the examination of each system.

8. <u>Subscriptions or membership surcharges</u>

This involves anyone wishing to use the library paying a fixed membership charge.

Operating any form of membership subscription will involve -

(a) Issuing receipts
(b) Formalised membership records
(c) Re-registration of readers
(d) Holding and accounting for relatively large sums of money which will also involve security

A. A subscription or membership surcharge would be a payment made above the indirect payment for service through the rates. In areas where a charge is already made to extra-district members, the membership surcharge would be added to this as an inclusive charge. Exceptions could be made for agreed sections of the non-county public after this charge has been made. The membership surcharge system involves anyone borrowing books from a public library paying a fixed annual membership charge for any number of books borrowed annually but not more than a specified number at one time.
(This form of stock control is already operated in most public libraries including Leicestershire.) The control on the number issued at one time maintains a reasonably constant selection of books at all service points. It means that the total benefit to a subscriber varies with the speed of reading. Some subscribers may read 25 books p.a. others 60 but both will pay the same subscription. Where photocharging is in operation it would be possible for a member to borrow multiple copies with one reader's ticket although a specific number of books at one time has been stated. This would have to be partly controlled by a strictly enforced period of loan with overdue charges following the period of issue as is used at present. It may be necessary to review these charges to ensure quick return of material at the end of the loan period.

B. An extension of this form of stock control would be a specified number of books borrowed annually with (a) a limit on the number of books issued at one time or (b) without limit. This would be a completely controlled system, in that members would be entitled to borrow say 40 books p.a. but no more than say 4 at a time or as in (b) members have an entitlement of 40 books p.a. but can borrow any number at a time until the maximum is reached. This system although completely controllable and fair, in that every member has the same entitlement, requires a record of the cumulating number of books borrowed by each member. The control on bookstock in (b) is limited by the possibility of a proportion of members all taking 20 + books at one time so for a short period the library may be seriously under-stocked.

C. An alternative form of control would be:-

> A fixed membership charge for borrowing a fixed number of volumes with no period of membership specified.
> This allows equality of membership but requires recording of number of volumes borrowed by members individually and produces irregular staff loading for registration of subscribers.

D. Another form of surcharge which would not be annual is:-

> A single membership charge as a 'joining' fee. This charge would be for any number of volumes issued annually but with a specified number of volumes at one time. This direct, non-recurring fee could be applied direct to any public library system with, for instance, a grading of £5 for life membership entitled the card holder to X books at any one time. This would involve all the operations mentioned in paragraph 8 a - d and produce a heavy return initially and then a small constant return. If the membership fee is re-assessed from time to time, in the light of the current economic situation it would eventually produce anomalies in that some members would

pay more or less than others. Those members who initially joined would eventually receive a service which newer members would have to pay more for through devaluation.

VARIABLE CHARGES for number of books issued

The annual membership subscription or surcharge may have variable charges depending on the form of stock control used.
e.g.
£1 annual subscription entitles the member to borrow 4 books at a time
OR £2 annual subscription entitles the member to borrow 8 books at a time.
£1 annual subscription entitles the member to 40 books p.a. but no more than 4 per time.
OR £1 annual subscription entitles the member to 40 books p.a. with any number issued at one time up to the maximum of 40.
The subscription monetary units and units of books borrowed can be designed to give the most efficient use of stock with the maximum financial return or to provide a consistent quality of service for the widest range of public.
Instant control of stock is available where total volumes available to a member annually is specified and where a control is also put on the number of volumes issued at one time.

VARIABLE CHARGES for availability of service

A further approach for subscription charges may be considered on the basis of the present accessibility or quality of service.
A fixed rate subscription which recognises and imposes limitations on the subscriber
e.g.
5/- p.a. for membership of a library open less than 15 hours per week.
10/- p.a. for membership of a library open more than 15 hours but less than 30 hours or a mobile library.
£1 per annum for membership of libraries open 30 hours but not more than 40.
£1. 10. 0d. for membership of a market town library.
Each subscription level includes use of libraries at lower levels.
This form of subscription would have the effect of tying members to specific service points (which is not the case in the present service) unless they were prepared to pay more and travel to larger library service points.
If the public demand is for quality of service and accessibility rather than proximity of a library then a larger proportion of members will pay a 30/- subscription and the emphasis of use will be in larger service points which will result in better equipped units becoming better and the smaller units poorer and serving only those not prepared or able to pay a larger subscription or unable to travel.
The alternative effect could be to emphasize public demand for better accessibility if they were provided with a low level accessibility unit. This demand would have to be met either by using the subscriptions from the larger units to subsidise the smaller and eventually producing a more consistent accessibility of service and staff, or if the subscriptions paid at each level were used to maintain the service at that level then the

improvement of each level would have to be made by the present criteria. A constant level of service as opposed to accessibility would inhibit demand to some extent. e.g. If story hours were only available in libraries open 30 hours or more where a £1 subscription was necessary. Specific services available only in subscription bands would produce many difficulties but would take this form of subscription to its logical conclusion.

9. The second form of charges system considered is the

UNIT ISSUE CHARGE

This system involves charging a fixed sum for each book borrowed from any library service point.
Exceptions for categories of the public can be operated.
Operating a unit issue charge will involve:-

(i) issuing receipts
(ii) making change available
(iii) holding and accounting for relatively large sums of small change

An efficient system of collecting revenue will have to operate as the income in small change will be considerable.

The number of operations involved in issuing a book to a reader can double resulting in a much slower rate of issue which can only be improved by extra staff and machinery.

COST

Using the number of issues during 1967-68 as a working figure and operating exclusions leaves approximately 60% of the issues being chargeable.

Issues	1967/8	3235914
	60%	1941544

The manpower cost of issuing a book during this issue period was approximately .78d. per book on the present basis.
Based on a limited investigation into the approximate time involved in giving change (related to the experience gained with overdue charges) and seeing that the charge is paid, the issuing time was found to be doubled.

To maintain the same standard of service as at present, i.e. that the present speed of issue is maintained it would be necessary to increase manpower concerned with direct book issue by at least 45% which brings the cost per book issue to approx. 1.1d.

This will not include the cost of providing either extra or larger boxes at each service point, for the collection of charges nor the increased cost of a more frequent collection and counting large amounts of small change.

At approximately 60% of the issue - 194154, a charge of 1.9d. per book issued would have to be made to recover the manpower cost.

This basic charge of 1.9d. per book issue produces a total of £15,370 p.a. as income. This sum therefore is the basic manpower cost of operating this scheme excluding costs for collection of boxes, or necessary machinery.

10. BOOK RESERVATION CHARGE

This is a charge for the reservation of a book and informing the reader when it is ready for collection. A charge can be made for the card and can include the cost of the card, the stamp and the cost of the clerical procedure involved in reserving the book and is authorised by the Public Libraries and Museums Act 1964.

This system is operated in a number of public libraries at present. The basic purpose appears to be either to offset the cost of postage by a direct charge to the reader for informing him when the reserved book is available for collection, or as a limited form of control on the number of books reserved by readers.

In either case the amount of income received is generally a very small proportion of the total cost in staff time and material involved in reservation and may not meet the costs of collecting the charges.

The purpose therefore, of considering this form of charge within the context of other systems is to find a direct charge to the public which produces an income equal or greater than cost.

To do this it is necessary to cost professional time which is outside the meaning of the 1964 Act.

As with the other systems exceptions by class of person can be operated.

The charge can be produced in several ways:-

(a) The charge can be an average figure produced from costing the whole reservation system.

(b) Or it can be an individually assessed charge which would have to be paid when the book was collected.

If a standard charge is instituted it can be paid on reservation or on collection of the book reserved. This contract can:-

(a) Guarantee the supply of a book
(b) Make no guarantee of supply
(c) Guarantee the supply of certain classes of book.
e.g. those published in the last six months

Any form of guarantee would need to be reflected in the reservation charge. Any charge instituted before the collection of a book which covered any other costs besides that of informing the reader would have to be refundable when a guarantee was not met or a book not supplied.

Any standard reservation charge or a charge costed on the amount of work involved in supplying the book would unduly victimise users of libraries with a low level of provision and accessiblity.

An alternative method would be to use a reduced standard charge depending on the hours a library was open.

An individually assessed charge for reservation of a particular book would be expensive in staff time involving approximately 100,000 costings annually.

COSTING

Some research would be necessary to show what the average cost of a reader's reservation is. If an economic figure was produced and charged, an assessment of the effect would have to be made to produce an estimated annual income; to make an estimate on present knowledge would be unsatisfactory.

11. THIS PAY COLLECTION OR GRADED BOOKS SYSTEM

This scheme operates by charging for the loan of specific classes of books. There are several distinct systems within this category.

A. Service Graded Subscriptions

Grade 1

Supply of any class of book (provided it has been published and is available) within a guaranteed period (one month).

Grade 2 - 'A' Class

Supply of any class of book, 9 months after publication within a guaranteed period (2 months)

Grade 3 - 'B' Class

Supply of any class of book available after meeting demands in Grades 1 & 2 12 months after publication. No guarantee of supply.

Each grade has a set annual subscription charge per annum.

B. Book grading system

Every book bought for stock is graded by the library into broad dividions:

(a) educational
(b) recreational
(c) entertainment

Each book carries an identifying insignia.
Each grade has a set annual subscription charge and any combination of grades or all grades may be subscribed to by one person.
This system is very flexible both for use by the public, a proportion of whom may only read one class of book and to the library staff who can control demand by placing a higher charge on entertainment.
It does not control the problem of high priced educational books in current popular demand.

C. Demand Graded System

Every book bought for stock is graded into potential demand classes and marked to show its demand class.
This would allow any book to be graded a demand book, not necessarily a new book.
This system could not be operated successfully by itself but used in conjunction with the book graded system as an extra control making the system more flexible but more complex.
This in turn would reduce subscriptions in the book grading systems grades by making a high charge on any books in any of the grades in high demand.

GRADING SCHEMES

The grading schemes outlined in this system are the most complex both in the procedure and control but are the most effective in controlling use of bookstock.

Grading of stock with variable charges will constantly call into question the librarian's ability, judgement and purpose at all service points.

The public, provided they are prepared to pay, can bias the library stock in any service point.

COSTS

Effective costing of any of the grading schemes involves considerable research. As most of the schemes would call for a re-appraisal of both current methods and approach and the effect of the introduction of any of the schemes can only be surmised costing with available data would be unsatisfactory.

SCHEME PROPOSED FOR USE IN LEICESTERSHIRE COUNTY LIBRARY

1. After examination of the four general systems of charges the Working Party concluded that the membership surcharge scheme would be the most effective and economic to operate in the County Library for the following reasons:-

   (i) It was the most easily adopted scheme because it involved no basic change of principle in working methods.
   (ii) The operations that were involved were simple and could be added into the routine used at present.
   (iii) It could be easily understood by the staff and the public.
   (iv) Compared with all the other schemes, cost per head of the staff to operate it was the smallest and it produced the largest gross income: the net income was the highest.

2. The principles of the scheme are as follows:-

   Anyone wishing to borrow books from the County Library pays an annual subscription charge.
   Any number of books can be borrowed annually but no more than four at a time.
   That there will be an 'overdue charge' of 1/- per book per week, and

where the total unpaid overdue charges reaches the total subscription paid, the annual subscription is cancelled and a further subscription paid if the reader wishes to continue using the Library. If the books are not returned the present book recovery procedure would operate.
That all services that are at present available without direct charge shall continue to be available without direct charge.
That a person having paid a subscription to use the County Library may make use of any or all service points in the county membership area.
Exemptions from charge will be offered to persons defined as young and old people, including disabled and housebound.

The operations involved are as follows:-

Registration of Readers

Static Libraries

(a) Person completes a registration form giving standard details.

(b) In a library with photocharging in operation the person is given a readers ticket as at present. The ticket carries the reader's name and address and date of expiry, also a unique number which is repeated on the registration card which acts as a self-receipting device. In a library with a Browne charging system, a person is given a standard 4 tickets each one of which repeats the unique number on the registration form.

(c) The subscription is then paid.

Mobile Libraries

(a) The general practice on mobile libraries of one person collecting books for whole families or friends is a considerable complication.

(b) Each person who wishes to use the mobile library service has to be issued with a reader's ticket as at a photocharging library. Each ticket carries a unique number and a carbon copy of the ticket is substituted for the registration form.

(c) Charging cards will be held in the family tickets as at present but the subscriber will have to show the reader's ticket when collecting books, or the tickets of the persons for whom books are being collected.

Registration period

At present a reader may register at any time but where a subscription system is in operation the Working Party concluded that registration of readers should take place during given dates each year. Registration of Static Libraries should take place at Group Library Headquarters and readers registering at any of the libraries in the group or at the Group Headquarters could do so personally or by post.

Registration on Mobile Libraries should take place on the mobile or by post to Library Group eadquarters. The reasons for this decision are:-

(a) Both readers Registration Cards and readers tickets could be colour coded for each year thus making sure no out-of-date tickets were used.

(b) The great majority of readers could be re-registered in a relatively short period and extra casual staffing could be employed to cover this shorter period which would not necessarily be the case if registration were irregular.

(c) In small libraries where only one assistant may be on duty the added work entailed in taking a subscription during busy periods, if subscriptions were paid irregularly, would necessitate extra constant assistance.

(d) Where registration and subscription payment is concentrated into one period arrangements regarding holding and transfer of cash is more easily and safely organised. Security arrangements could be made to deposit money either with the Treasurer's Department, or a bank on a daily basis, and the holding of money in sometimes insecure premises which do not necessarily belong to the library authority will be avoided.

(e) This arrangement will also avoid placing staff, many of whom have no experience of handling and accounting for large sums of money, at risk personally and professionally.

Where a reader wishes to join after the announced registration period he should be allowed to pay a proportion in monthly units to complete the subscription year and a further full year so that there will be two current colours for readers tickets in use. This is to main registration in blocks and avoiding the issue of tickets for short periods.

RECORDS

A. Static

A file of registration cards bearing details of the reader and reader's receipt number must be maintained.

B. Mobile

The carbon copy reader's ticket receipt book will act as the reader's registration file for the Mobile Libraries.
Both records will also act as an accounting record for audit.
Records of subscribers should be held at Group Library headquarters of both the Static Libraries in the group and Mobile Libraries where they were based in groups.

C. Loss of Tickets

Where a subscriber loses his ticket/s a duplicate so marked should be issued with the reader's original unique number and the fact noted on his registration card.

Figures used as a basis of estimation.

Population 325,720 population in area served by the County Library.
Figures are drawn from General Register Office's sample census 1966
Leicestershire County Health Department
" " Education Department

Numbers within the area served by the County Library

Number of children by Working Party's definition

		% of population
0 - 3 years old	15,000	
4 - 18 " "	60,000	
	75,000	23%
Chargeable members of public	211,960	65%
Number of pensionable persons 60+	38,160	11.7%
Number of registered disabled and housebound	600	.18%
Total	325,720	

Using the conservative average of the National figure of 33.1/3rd % membership of the public library for each library area an estimate of the proportional membership of the County Library based on the figures indicated by the Derby Survey and the Groombridge Report produces the proportional representation within the National figure of 33.1/3rd % as follows -

Age	
0 - 16	22% membership
16 - 60	66% membership
60+ and disabled and housebound	12% membership

Proportional working figures for Leicestershire County are estimated to be -

Age	Membership of Library
0 - 16	23,800
16 - 60	71,600
60+ and disabled and housebound	13,000

MEMBERSHIP SURCHARGE SCHEME - ESTIMATED EXPENDITURE AND INCOME

Item	Present Cost for present membership		Marginal Cost to operate scheme		Total Cost for present membership	
	Unit Cost	Total Cost	Unit Cost	Total Cost	Unit Cost	Total Cost
		£		£		£
EXPENDITURE						
Staff						
Registration per reader						
Photocharging	8.46d.	2,100	11.28d.	2,800	19.74d.	4,900
Browne	12.69d.	2,600	11.28d.	2,300	23.97d.	4,900
Filing registration forms and maintenance of records	-	100	-	100	-	200
Collection of cash receipting and banking of moneys (say)	-	-	-	1,000	-	1,000
Materials						
Registration - per 1,000 readers	7/6d.	40	1/-	5	8/6d.	45
Readers tickets - per 1,000 readers						
Photocharging	5/-	25	2/-	10	5/-	35
Browne	21/-	105	5/-	25	26/-	130
Registered receipt books, mobiles explanatory leaflets and posters	-	-	-	300	-	300
TOTAL EXPENDITURE		£4,970		£6,540		£11,510
INCOME						
Annual subscription of 24/- per chargeable member in age group 16 - 65.		-		85,920		85,920
NET INCOME ARISING FROM THE PROPOSED SCHEME		£4,970 DR.		£79,380		£79,380

J. A. Saunders
Convener

December, 1968

The Library Committee resolved "that the Reports be submitted to the Finance Committee without comment from this Committee, but subject to the reservation that in the event of the Finance Committee considering that a charge should be made for lending library services, this Committee would wish to give further consideration to the matter". The Finance Committee considered the reports and recommended that -

> "The Library Committee be requested to consider the advantages and disadvantages of charging for the use of lending library services and, if thought fit, to make a recommendation that the matter be referred to the County Councils' Association with a view to initiating amending legislation to enable charges to be made for the use of the lending library services, bearing in mind that it might be necessary to ask the Association to carry out a social services survey in order to find out the views of the users of library services".

The Library Committee met on 4th June and considered the following report from the County Librarian -

COUNTY OF LEICESTER - LIBRARY COMMITTEE 4th June, 1969

CHARGES FOR USE OF LENDING LIBRARY SERVICES

Introduction

1. At its meeting on 14th May, 1969, the County Council resolved on the recommendation of the Finance Committee to request the Library Committee to consider the advantages and disadvantages of charges for the use of lending library services and, if thought fit, to make a recommendation that the matter be referred to the County Councils' Association with a view to initiating amending legislation to enable charges to be made for the use of lending library services, bearing in mind that it might be necessary to ask the Association to carry out a Social Services Survey in order to find out the views of users of library services.

2. The reports submitted to the Library Committee on 12th March, 1969, aimed to satisfy the request of the Finance Committee in 1968, for a report on the income which could be expected from the borrowing of library books if legislation permitted the Council to make such a charge, and the Committee resolved to submit the reports to the Finance Committee without comment, but with the reservation that if the Finance Committee considered that a charge should be made for the use of the Lending Library Services, the Library Committee would like another chance to give further consideration to the matter. Copies of the reports are attached and members will note that in all the schemes proposed young people under 16 and still attending school full time, students on full time courses or part-time and block release courses leading to qualifications, pensionable persons aged 60+, housebound and disabled persons of any age are excluded from the charges schemes. In calculating the expected income etc. the reports assume that there would be no change in the number of people using the Lending Library Service, or in the amount to which it would be used. To test the validity of this assumption it would be necessary for a market research survey to be carried out on a considerable scale and in various parts of the country, and I therefore suggested to the Finance Committee that, should the County Councils' Association, on the recommendation of the County Council, look into the matter it would have to be willing to undertake a fairly expensive (say, £20,000) market research project in order that the impact of

charges on the level of use of the Lending Library Services, on the demand for browsing and reference space, and on the provision and opening hours of library buildings and mobile libraries, could be accurately assessed and the real estimated income deduced against the background of increasing leisure, and the social need to see that opportunities are provided for its constructive use.

3. This report aims to assist the Committee in making a recommendation to the County Council, by setting out the principal points for and against the introduction of charges.

Advantages

4. The standards set by the Public Libraries and Museums Act, 1964, are proving to be inadequate to meet the developing public demands on the library service, and, particularly in those library authorities which have completed their building programmes or where there is a tradition of live and enthusiastic library service, the standards are already being exceeded and the book provision and staffing of these library services are well above the standards. If the inevitable and inescapable increase in the volume of public demand, and the rise in the standard of service which is demanded by the public as the full effects of the 1944 Education Act, and subsequent expansion of higher education are felt by the Public Library Service, are to be met, expenditure on the public library service must rise. It is argued by the supporters of the introduction of charges for the use of Lending Library services that local government cannot afford an increase of expenditure on public libraries of this scale and that if the Library Service is to meet public demands, money must be found from sources other than Government grants and the rates. They also argue that while the Public Library was established as a means of education for the poor, the improvement in the educational system has reduced its importance in this respect. The choice that advocates of charges hold out is therefore between Public Library service which fails to meet public demand, but makes charges only authorised by the 1964 Act, and a Public Library service which makes a charge for the use of its Lending Library services, (and which leaves its information, reference and browsing facilities free), and which is better able to meet public demand.

5. The argument is also advanced that people are increasingly willing to pay for good service and that it would be more equitable if those people who use the Lending Library service, made a direct contribution towards its costs. It should be noted that the estimated income from charges in this County would not in fact cover anything like the cost of the Lending Library service, so that there would still be a substantial subsidy from public funds, and therefore no element of competition with private enterprise would be involved.

6. The success of public Gramophone Record Libraries, for which charges are made by subscription and by unit issue charges, is quoted as an example of the acceptability of charges, but in recent correspondence with the Local Government Operational Research Unit on Gramophone Record Libraries, I was interested to see that they had discovered that the users of Gramophone Record Library services were not identical with the users of book lending services. Attention is also drawn to the licence fees for television programmes, another source of entertainment and education.

7. The advantages may be summed up as providing a source of income by which the Library Service might be improved to meet public demand and it is important to remember that the Finance Committee had in mind that the object of income from charges would be to improve the Library Service and not to reduce the present level of rate borne expenditure. Each Library Authority would, presumably, have

to agree to bring its service up to a basic standard from rate-born expenditure and beyond that, the Service could be improved by making charges.

Disadvantages

8. However carefully a charges scheme is constructed, it will impose hardship on some members of the community. The number of people who are unable to pay for the service cannot be calculated without a social survey. The number of people who at present gain immeasurable benefit from the use of the Lending Library Services on only a few occasions each year, might very well be unwilling to pay a full year's subscription for such relatively small use, but the Report of the Working Party demonstrates the impracticability of collecting money for each borrowing. Teenagers who were not students, would be discouraged from retaining the habit of book borrowing. The Public Library has long been the open university, and a major adjunct of adult education, while the principle of charges for adult education services has been accepted. An extension of charges to include Lending Library services would impose a further burden on people who wish to avail themselves of the use of books in their studies. Technical material is lent to individuals who use it to improve the productivity of industry, but they might be unwilling to subscribe for the benefit of their employers.

9. Charges for the use of the Lending Library service would penalise the countryman rather than the townsman who has easier access to static libraries in which he can sit and read books. It is also likely that the public would be more demanding if they paid directly for part of the service.

10. The problems of the authors have recently been receiving attention and if any charges were made for Lending Library services there would undoubtedly be pressure from authors for them to receive a substantial proportion of the income, thus making it impossible to improve the Library Service.

11. It is now generally accepted by the Local Authority Associations and the Department of Education and Science that readers should be able to use the Lending Library most conveniently sited for them, irrespective of the Local Authority responsible for its provision. In practice this avoids unnecessary duplication of services and Leicestershire's pioneering contribution to the elimination of county boundaries in the provision of Mobile Library service on the most economic basis is frequently instanced as an example of sensible co-operation. With the varying standards of charges and services that might be introduced if charges for the use of Lending Library services were permitted the whole of this co-operative structure might break down, and readers be considerably inconvenienced or costs increased.

12. Public Libraries are no longer the only agency lending books, School Libraries, College, and University Libraries all lend books free of charge, and in the Colleges the overlap with Public Library provision is considerable. If the Public Library made a charge, there would be a greater need to improve the College Libraries.

13. When the idea of charges for the use of Lending Library services was fully debated in Parliament on the Public Libraries and Museums Bill, the importance of a free Lending Library service as a civlising influence in the community, and the contribution that it makes to informal education, and the widening of people's horizons as an informal adjunct of education in its widest sense was stressed, and these benefits were thought to be threatened by proposals for charges, which were rejected by Parliament.

Conclusion

14. The Committee is invited to make a recommendation to the County Council on whether or not it should ask the County Councils Association to investigate the possibility of initiating amending legislation to enable Library Authorities to make charges for the use of Lending Library services.

G. E. Smith
County Librarian

21st May, 1969

The Committee resolved -

> "that the Finance Committee be informed that in the opinion of this Committee no action whatsoever should be taken to introduce a scheme of payment of charges for the lending library services, on the grounds that such charges would be inappropriate and unacceptable to the public served by the library service."

This resolution was reported to, and accepted by, the Finance Committee and then by the County Council in July 1969.

Conclusion

The idea of making charges for the use of lending library services is not new, but little research seems to have been carried out into the practicability of such charges or the amount of income they might produce. The members of the Working Party, who richly deserve the thanks accorded to them by the Library Committee and the Finance Committee, do not claim to have evolved a perfect system. They have demonstrated some of the possibilities and the need for market research. They were able to prepare their report on the technical aspects of the scheme without having to argue the principles raised by it and the separation of principle and practice in the discussions proved helpful in securing clear decisions from the Committee. I hope that these reports and documents will be useful to students and provide colleagues in other libraries with both amusement and food for thought.

Geoffrey Smith
August 1969